Remarks

Claims 1-7 are currently pending in the present Application. The Examiner is thanked for granting an interview with the Applicants' representative. In light of the interview, Claims 1-7 have been amended in accordance with the Examiner's helpful comments. Support for these claim amendments may be found, for example, at pg. 3, first full paragraph and pg. 3, line 19-pg. 4, line 6, of the specification. The Applicants submit that no new matter is being introduced herein.

Claim Rejections under 35 U.S.C. §102

The Applicants acknowledge the rejection of Claims 1, 2, and 4-6 under 35 U.S.C. §102(e) as being unpatentable over U.S. Patent No. 7,006,993 to Cheong et al. ("Cheong"). In view of the foregoing claim amendments, and for reasons set forth below, the Applicants respectfully traverse the rejection and respectfully submit that each of Claims 1, 2, and 4-6 are fully patentable over Cheong.

Claim 1, as amended, is directed to a computer implemented method of executing a payment between a customer and a merchant. To that end, Claim 1 recites verifying that the customer has an established credit card account. Once verified, an electronic data account is created wherein the customer establishes a purchasing limit that the electronic data account will "hold". At this point, the user is ready to engage in on-line purchasing transactions. No funding step is required, as further discussed below.

It is important to note that the electronic data account described above is not linked in any way to a financial institution nor is it a "funded" account. In other words, the data account has no direct link to a consumer's funds, nor are funds held in the electronic data account. Instead, the electronic data account is used to "hold" (or keep track of) a purchasing limit as set by a consumer, and to adjust the purchasing limit each time the consumer executes an purchase

transaction (see Claim 3).   For each purchase transaction the consumer executes, the consumer's credit card account is contacted, funds to cover the purchase are requested, and then the funds are transferred to the appropriate merchant.   As the consumer engages in such purchases, the purchasing limit on "hold" in the customer's data account is reduced accordingly (see Claim 3).

Choeng, in sharp contrast, is directed to a "surrogate" system for enabling users who <u>do not</u> have a credit card to engage in e-commerce transactions. To that end, Cheong describes a system wherein users open an on-line <u>financial</u> account and are then required to <u>fund that account.</u> (see Abstract; col. 1, line 53-col. 2, line 25). Once the account is funded, the user is assigned a "credit card" number which represents the amount of funds remaining in the user's account. (see col. 2, line 28-48). It is important to note that the user may only engage in e-commerce purchase transactions <u>after</u> the user's account is funded. As the user makes such purchases, the user's available funds are reduced accordingly.

Unlike Cheong, the method recited in Claim 1 enables customers <u>with existing credit card accounts</u> to engage in on-line transactions without having to continually re-enter their credit card information. Rather than entering actual credit card numbers, customers may enter their data account numbers (see Claim 2), which are in turn used to contact and request funds from the customer's actual credit card banks. Further, unlike Cheong, the method of Claim 1 does <u>not</u> require customers to fund their on-line accounts prior to engaging in on-line transactions. In fact, the data account of Claim 1 is not a financial account, nor is it linked in any way to a financial institution. As such, the data account of Claim 1 does not hold funds, but instead holds purchasing limit information set by customers. Under Cheong, merchants are paid directly from funds residing in customer's on-line <u>financial</u> accounts. Claim 1, to the contrary, recites paying merchants by first requesting the funds from the customer's bank, and then transferring the funds

(received from the customer's bank) to the merchant, all of which occurs independent of the consumer's data account, and <u>after</u> the customer has executed an purchase transaction.

In view of the above, the Applicants respectfully submit that Claim 1, and Claims 2, 4, 5, and 6, which recite similar features, are fully patentable over Cheong. Reconsideration and withdraw of this grounds of rejection is respectfully requested.

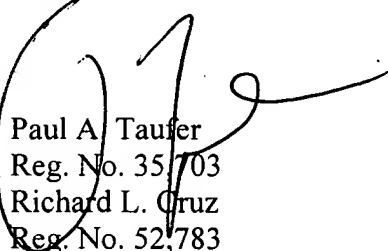## Claim Rejections under 35 U.S.C. 103

The Applicants acknowledge the rejection of Claims 3 and 7 under 35 U.S.C. §103(a) as being unpatentable over Choeng in view of U.S. Publication No. 2005/0035193 to Gustin et al. ("Gustin"). As discussed above, Choeng fails to disclose the features of independent Claims 1 and 5, the claims from which Claims 3 and 7 depend, respectively. As such, a Choeng-Gustin combination can not properly form the basis for a rejection of Claims 3 and 7.

Accordingly, the Applicants respectfully submit that Claims 3 and 7 are fully patentable over Choeng-Gustin, and respectfully request reconsideration and withdraw of this grounds of rejection.

Conclusion

In view of all that set forth above, Applicants respectfully solicit allowance of the present application.

Sincerely,

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